

Message Text

CONFIDENTIAL

PAGE 01 STATE 245713

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DRAFTED BY NEA/AFN:DLJAMESON

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FM SECSTATE WASHDC

TO AMEMBASSY TRIPOLI IMMEDIATE

INFO AMEMBASSY LONDON IMMEDIATE

AMEMBASSY OTTAWA IMMEDIATE

C O N F I D E N T I A L STATE 245713

EXDIS

E.O. 11652:GDS

TAGS: PFOR, ENRG

SUBJECT:OCCIDENTAL DISPUTE WITH LIBYA

LONDON FOR KINSOLVING

1. OCCIDENTAL PRESIDENT JOSEPH BAIRD CALLED ASSISTANT SECRETARY ATHERTON AFTERNOON OF OCTOBER 14 TO REITERATE OXY'S CONCERN ABOUT LIBYAN RESTRICTION ON DEPARTURE OF OXY EMPLOYEES AND DEPENDENTS. BAIRD CLEARLY IMPLIED OXY FEELS DEPARTMENT IS NOT ACTING VIGOROUSLY ENOUGH ON THIS MATTER (HE ALSO COMMENTED CRITICALLY ABOUT DEPARTMENT'S PROTECTION OF US COMMERCIAL INTERESTS ABROAD IN GENERAL) AND REQUESTED THAT THE STRONGEST POSSIBLE PROTEST BE MADE TO THE LARG IMMEDIATELY. HE SAID THAT FOUR OXY EMPLOYEES, TWO AMERICAN AND TWO BRITISH, WHO SHOULD HAVE BEEN ALLOWED TO DEPART UNDER AGREEMENT ON ROTATION OF PERSONNEL, WERE PREVENTED FROM LEAVING ON OCTOBER 14 AND THESE FOUR WILL ASK ASSISTANCE FROM THEIR RESPECTIVE EMBASSIES. HE NOTED IN PASSING THAT FIVE OTHERS HAD BEEN ALLOWED TO DEPART EARLIER
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 245713

IN THE DAY, BUT NEVERTHELESS DREW CONCLUSION THAT STRONG

ACTION IS NOW NECESSARY.

2. BAIRD SAID THAT THE MEETINGS IN NEW YORK DID NOT HAVE ANY POSITIVE RESULT BECAUSE THE LIBYANS REFUSED TO NEGOTIATE AND HAVE NOW BEEN BROKEN OFF. HE CLAIMED THAT THE LIBYAN POLICE AND ARMY ARE FORCING OCCIDENTAL FIELD PERSONNEL TO PUMP OIL WHICH IS BEING STOLEN BY THE LARG AND SHIPPED TO OTHER COUNTRIES. HE NAMED ITALY AND FRANCE AS THE WILLING RECIPIENTS AND ASKED THAT THE DEPARTMENT EXPRESS ITS CONCERN ABOUT PURCHASES OF THIS HOT OIL TO THE GOVERNMENTS OF THESE TWO COUNTRIES.

3. BAIRD ALSO REFERRED TO LIBYAN COORDINATION WITH OTHER MEMBERS OF OPEC, SAID HE KNEW THAT VENEZUELA FOR ONE HAD BEEN CONTACTED BY THE LIBYANS, AND ASSERTED THAT FAILURE TO TAKE A STRONG POSITION WITH LIBYANS WOULD REDUCE THE RESPECT OF OTHER OPEC NATIONS AS WELL AS LIBYA FOR THE US. IF NOTHING ELSE WORKS, HE DECLARED, WE SHOULD CONSIDER MATCHING BRUTE FORCE WITH BRUTE FORCE.

4. MR. ATHERTON CAUTIONED THAT THE USE OF FORCE WOULD PROBABLY BE THE MOST DANGEROUS COURSE IN TERMS OF THE SAFETY OF OXY'S EMPLOYEES AND DEPENDENTS. MR. ATHERTON ALSO REVIEWED THE STEPS WHICH THE EMBASSY AND DEPARTMENT HAVE ALREADY TAKEN WITH THE LIBYANS, NOTED THAT THE SECRETARY WAS BEING KEPT INFORMED OF THE PROBLEM AND SAID THAT WE WILL CONTINUE TO PURSUE THE MATTER THROUGH DIPLOMATIC CHANNELS. HE ADDED HIS PERSONAL JUDGEMENT THAT THE PROBLEM WILL NOT BE SOLVED OVERNIGHT AND THAT A PERSISTENT BUT MEASURED EFFORT WILL BE NECESSARY. RATHER THAN DEAL WITH IT IN THE ABSTRACT, AND ON ASSUMPTION OXY NOT PLANNING MASS WITHDRAWAL OF PERSONNEL (WHICH BAIRD CONFIRMED WAS CORRECT), ATHERTON SAID HE THOUGHT BEST COURSE FOR NOW WAS TO TAKE EACH CASE AS IT CAME UP IN NORMAL COURSE OF THINGS AND SEE WHETHER LIBYANS IN PRACTICE WOULD PERSIST IN DENYING EXIT IN INDIVIDUAL CASES. IF THEY DID, WE WOULD HAVE TO CONSIDER WHAT FURTHER MEASURES WE SHOULD TAKE. WE SHARED OCCIDENTAL'S CONCERN FOR WELL-BEING OF ITS US EMPLOYEES AND THEIR RIGHT TO DEPART LIBYA WHEN THEY WISHED, AND HAD MADE KNOWN

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 245713

FORCEFULLY TO LIBYANS AND PUBLICLY THAT DENIAL OF SUCH RIGHT WOULD BE VIOLATION OF ESTABLISHED INTERNATIONAL PRINCIPLES.

5. COMMENT: WE CONTINUE TO BELIEVE THAT BEST WAY TO HANDLE SITUATION FOR THE MOMENT IS TO DEAL WITH COMPLAINTS FROM OXY PERSONNEL ON A CASE BY CASE BASIS. SINCE RECENT CASES HAVE JUST BEEN BROUGHT TO ATTENTION OF LARG WE DO

NOT KNOW HOW THEY WILL REACT. IF LARG PROVES UNWILLING TO ABIDE BY ITS ASSURANCES THAT OXY EMPLOYEES WILL BE ALLOWED TO DEPART COUNTRY FURTHER MEASURES WILL, OF COURSE, BE NECESSARY. AMONG THE POSSIBILITIES ARE COORDINATED PROTESTS TO LARG WITH BRITISH AND CANADIANS AND REQUEST FOR SUPPORT FROM FRIENDLY OPECCOUNTRIES.

ANY EMBASSY SUGGESTIONS AS TO OTHER MEASURES WHICH MIGHT APPROPRIATELY BE TAKEN WILL ALSO BE GIVEN CONSIDERATION.

6. ACTION REQUESTED: PLEASE PROVIDE ANY ADDITIONAL INFORMATION AVAILABLE TO EMBASSY, OR COMMENT, ON BAIRD'S ASSERTIONS THAT ARMY AND POLICE ARE FORCING OXY PERSONNEL TO WORK FIELDS AGAINST THEIR WILL AS WELL AS ON SAFETY OF OXY EMPLOYEES AND DEPENDENTS IN GENERAL. ANY INFORMATION WHICH EMBASSY CAN PROVIDE REGARDING ALLEGED SALES OF OXY OIL TO ITALY AND FRANCE WOULD BE HELPFUL AS WELL. TO KEEP DEPARTMENT UP TO DATE ON SITUATION EMBASSY SHOULD ALSO MAKE AT LEAST ONE STATUS REPORT DAILY WHETHER OR NOT ANY MAJOR NEW DEVELOPMENTS HAVE TAKEN PLACE. KISSINGER

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